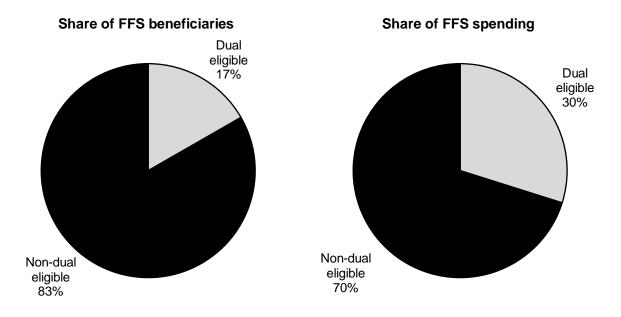
SECTION

Dual-eligible beneficiaries

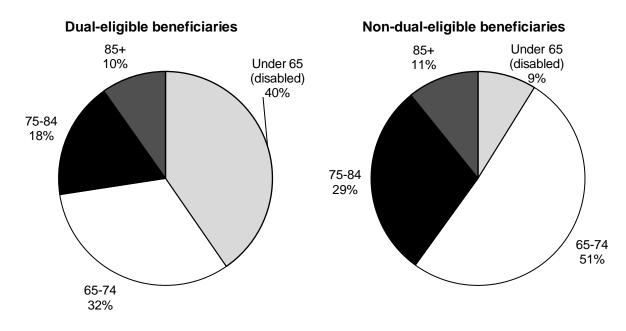
Chart 4-1. Dual-eligible beneficiaries accounted for a disproportionate share of Medicare spending, 2018



FFS (fee-for-service). "Dual-eligible beneficiaries" are defined as beneficiaries who were eligible for both Medicare and Note: Medicaid for at least one month during the year.

- Dual-eligible beneficiaries are those who qualify for both Medicare and Medicaid. Medicaid is a joint federal and state program designed to help people with low incomes obtain needed health care.
- Dual-eligible beneficiaries account for a disproportionate share of Medicare FFS expenditures. Although they were 17 percent of the Medicare FFS population in 2018, they represented 30 percent of aggregate Medicare FFS spending.
- On average, Medicare FFS per capita spending is more than twice as high for dual-eligible beneficiaries compared with non-dual-eligible beneficiaries: In 2018, \$21,390 was spent per dual-eligible beneficiary, and \$10,072 was spent per non-dual-eligible beneficiary (data not shown).
- In 2018, average total spending—which includes Medicare, Medicaid, supplemental insurance, and out-of-pocket spending across all payers—for dual-eligible beneficiaries was \$31,339 per beneficiary, about twice the amount for other Medicare beneficiaries (data not shown).

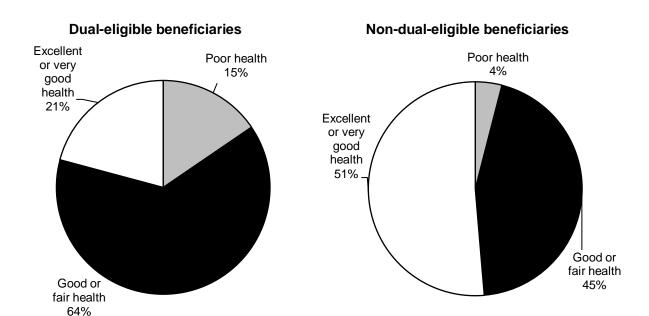
Dual-eligible beneficiaries were more likely than Chart 4-2. non-dual-eligible beneficiaries to be under age 65 and have a disability, 2018



Note: Beneficiaries who are under age 65 generally qualify for Medicare because of disability. Once beneficiaries with disabilities reach age 65, they are counted as aged beneficiaries. "Dual-eligible beneficiaries" are defined as beneficiaries who were eligible for both Medicare and Medicaid for at least one month during the year.

- Disability is a pathway for individuals to become eligible for both Medicare and Medicaid benefits.
- Dual-eligible beneficiaries are more likely than non-dual-eligible beneficiaries to be under age 65 and have a disability. In 2018, 40 percent of dual-eligible beneficiaries were under age 65 with a disability compared with 9 percent of the non-dual-eligible population.

**Dual-eligible beneficiaries were more likely than** Chart 4-3. non-dual-eligible beneficiaries to report being in poor health, 2018



Note: "Dual-eligible beneficiaries" are defined as beneficiaries who were eligible for both Medicare and Medicaid for at least one month during the year.

- Dual-eligible beneficiaries are more likely than non-dual-eligible beneficiaries to report being in poor health. In 2018, 15 percent of dual-eligible beneficiaries reported being in poor health compared with 4 percent of non-dual-eligible beneficiaries.
- Just over half of non-dual-eligible beneficiaries (51 percent) reported being in excellent or very good health in 2018. In comparison, about one-fifth (21 percent) of dual-eligible beneficiaries reported being in excellent or very good health.

Demographic differences between dual-eligible **Chart 4-4.** beneficiaries and non-dual-eligible beneficiaries, 2018

Characteristic	Share of dual- eligible beneficiaries	Share of non-dual- eligible beneficiaries
Sex		
Male	38%	47%
Female	62	53
Race/ethnicity	-	
White, non-Hispanic	51	81
African American, non-Hispanic	21	7
Hispanic	19	6
Other	9	6
Limitations in ADLs		
No limitations in ADLs	49	76
Limitations in 1–2 ADLs	25	16
Limitations in 3–6 ADLs	26	8
Residence		
Urban	79	81
Rural	21	19
Living arrangement		
Institution	9	1
Alone	36	26
With spouse	15	55
With children, nonrelatives, others	39	18
Education		
No high school diploma	37	10
High school diploma only	32	25
Some college or more	30	65
Income status		
Below poverty	60	5
100–125% of poverty	17	4
125–200% of poverty	16	17
200-400% of poverty	6	31
Over 400% of poverty	1	43
Supplemental insurance status		
Medicare or Medicare/Medicaid only	52	19
Medicare managed care	42	35
Employer-sponsored insurance	1	22
Medigap	3	23
Medigap/employer	<1	1
Other*	2	1

Note: ADL (activity of daily living). "Dual-eligible beneficiaries" are defined as beneficiaries who were eligible for both Medicare and Medicaid for at least one month during the year. "Urban" indicates beneficiaries living in metropolitan statistical areas (MSAs). "Rural" indicates beneficiaries living outside of MSAs. In 2018, poverty was defined as annual income of \$12,043 for people living alone and \$15,193 for married couples. Poverty thresholds are calculated by the U.S. Census Bureau (https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html). Totals may not sum to 100 percent due to rounding and exclusion of an "other" category. \*Includes public programs such as the Department of Veterans Affairs and state-sponsored drug plans.

MedPAC analysis of Medicare Current Beneficiary Survey, 2018. Source:

Dual-eligible beneficiaries qualify for Medicaid due in part to low incomes. In 2018, 60 percent of dual-eligible beneficiaries lived below the poverty threshold, and 93 percent lived below 200 percent of the poverty threshold. Compared with non-dual-eligible beneficiaries, dual-eligible beneficiaries are more likely to be female, be African American or Hispanic, lack a high school diploma, have greater limitations in activities of daily living, and live in an institution. They are less likely to have supplemental employer-sponsored or Medigap coverage.

Differences in Medicare spending and service use Chart 4-5. between dual-eligible beneficiaries and non-dualeligible beneficiaries, 2018

Service	Dual-eligible beneficiaries	Non-dual-eligible beneficiaries
Average FFS Medicare payment for all beneficiaries		
Total Medicare FFS payments	\$21,390	\$10,072
Inpatient hospital	4,349	2,721
Physician <sup>a</sup> Outpatient hospital Home health	3,343 3,318 612	2,657 1,750 368
Skilled nursing facility <sup>b</sup> Hospice	1,017 412	499 224
Prescribed medication <sup>c</sup>	8,317	1,848
Share of FFS beneficiaries using service		
Share using any type of service	96.9%	85.7%
Inpatient hospital	21.1	13.2
Physician <sup>a</sup>	91.5	81.4
Outpatient hospital	75.7	62.1
Home health	10.4	7.9
Skilled nursing facility <sup>b</sup>	5.3	3.6
Hospice	3.2	1.8
Prescribed medication <sup>c</sup>	93.0	58.7

Note:

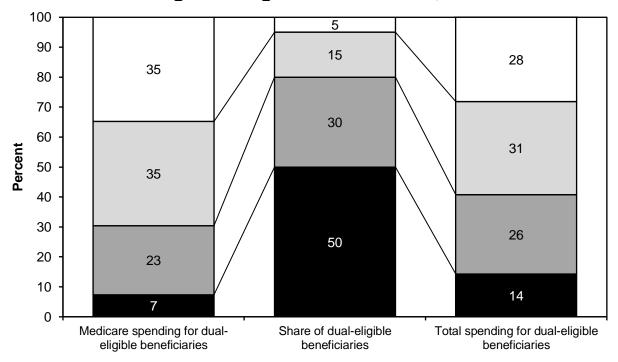
FFS (fee-for-service). Data in this analysis are restricted to beneficiaries in FFS Medicare. "Dual-eligible beneficiaries" are defined as beneficiaries who were eligible for both Medicare and Medicaid for at least one month during the year. Spending totals derived from the Medicare Current Beneficiary Survey (MCBS) do not necessarily match official estimates from CMS Office of the Actuary. Total payments may not equal the sum of line items due to omitted "other" category. <sup>a</sup> Includes a variety of medical services, equipment, and supplies.

- In 2018, average per capita Medicare FFS spending for dual-eligible beneficiaries was more than twice that for non-dual-eligible beneficiaries—\$21,390 compared with \$10,072.
- For each type of service, average Medicare FFS per capita spending was higher for dualeligible beneficiaries than for non-dual-eligible beneficiaries.
- Higher average per capita FFS spending for dual-eligible beneficiaries is a function of higher use of these services by dual-eligible beneficiaries compared with their non-dual-eligible counterparts. Dual-eligible beneficiaries are more likely than non-dual-eligible beneficiaries to use each type of Medicare-covered service.

<sup>&</sup>lt;sup>b</sup> Individual short-term facility (usually skilled nursing facility) stays for the MCBS population.

<sup>&</sup>lt;sup>c</sup> Data from stand-alone prescription drug plans and Medicare Advantage–Prescription Drug plans.

Both Medicare and total spending were concentrated **Chart 4-6.** among dual-eligible beneficiaries, 2018



Note: "Total spending" includes Medicare, Medicaid, supplemental insurance, and out-of-pocket spending. Data in this analysis are restricted to beneficiaries in fee-for-service (FFS) Medicare. "Dual-eligible beneficiaries" are defined as beneficiaries who were eligible for both Medicare and Medicaid for at least one month during the year.

- Annual Medicare FFS and total spending on dual-eligible beneficiaries are concentrated among a small number of people. The costliest 5 percent of dual-eligible beneficiaries accounted for 35 percent of Medicare spending and 28 percent of total spending on dualeligible beneficiaries in 2018. In contrast, the least costly 50 percent of dual-eligible beneficiaries accounted for only 7 percent of Medicare FFS spending and 14 percent of total spending on dual-eligible beneficiaries.
- On average, total spending (including Medicaid, Medigap, etc.) for dual-eligible beneficiaries in 2018 was almost twice that for non-dual-eligible beneficiaries—\$31,339 compared with \$16,622, respectively (data not shown).